



Montana Public Service Commission
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**PSC TO HOLD HEARING OCTOBER 25
ON NORTHWESTERN ENERGY'S REQUEST TO RECONSIDER
PSC ORDER REDUCING AUTOMATIC RATE HIKE DUE TO TAXES**

The state Public Service Commission will hold a hearing in Helena on Wednesday, October 25, concerning NorthWestern Energy's request for reconsideration of certain items in the company's December 2005 filing for automatic rate adjustment and tracking for taxes and fees.

The hearing will begin at 9:30 a.m. in the PSC's Bollinger Room, 1701 Prospect Avenue.

Montana law allows for automatic rate adjustment and tracking of certain Montana state and local taxes paid by a public utility. The PSC decided last February to disallow \$9.9 million of NorthWestern Energy's request for an \$18 million rate increase due to the company's increased property taxes. Of the disallowance, \$5.6 million was related to the failure by the company to adjust its request to take into account the net change in tax liability caused by the deductibility of property taxes against federal and state income taxes, and the remainder concerned the inclusion of tribal taxes in the company's request, increased taxes on the company's transmission assets, and a tax increase that the PSC attributed to unexplained increases in original cost of company assets between 2004 and 2005.

The hearing is for the purpose of receiving technical evidence and public comment for consideration by the PSC.

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